

**OFFICE OF ENTERPRISE COMPLIANCE
QUARTERLY REPORT ON 2006 PLANNED ACTIVITIES
SEPTEMBER 2006**

I. INVESTMENTS BUSINESS LINE

Activities and Goals for the Upcoming Year and Current Status

Planned Activity	Target Date	Current Status
1. Transition Fixed Income Portfolio Management Compliance duties to Office of Enterprise Compliance.	First Quarter	Completed February 2006
2. Monitoring and reporting of Fixed Income compliance violations.	Weekly	2 nd Quarter report completed
3. Submit Personal Trading Policy to Investment Policy sub-committee.	First Quarter	Draft sent to DPA in June 2006
4. Monitoring and reporting of Global Equity compliance violations.	Weekly	2 nd Quarter report completed
5. Review policies and procedures for Real Estate Compliance. Identify areas of highest risk, review specific procedures, and monitor for compliance.	Second Quarter	In process
6. Review policies and procedures for Alternative Investment Management strategies. Identify areas of highest risk, review specific procedures, and monitor for compliance.	Second Quarter	In process
7. Conduct follow up review of proxy voting recommendations implementation.	Third Quarter	2 nd Quarter report completed
8. Review policies and procedures for Derivatives. Identify areas of highest risk, review specific procedures, and monitor for compliance.	Fourth Quarter	
9. Develop Compliance Manual for Investments Compliance Area Manager.	Fourth Quarter	Completed June 2006

II. HEALTH BUSINESS LINE

Activities and Goals for the Upcoming Year and Current Status

Planned Activity	Target Date	Current Status
1. Present Compliance Presentation to Health Benefits All Staff.	First Quarter	Completed January 2006
2. Recruit and hire Compliance Area Manager for Health.	First Quarter	Ongoing in Second and Third Quarter
3. Review HIPAA Compliance with Audits.	First Quarter	Audit completed in Second Quarter
4. Research related regulation, laws and rules for Health Compliance	First and Second Quarter	Ongoing
5. Attend Health Compliance Workshops and Conferences to have access to “best practices” and tools in Health Compliance.	Ongoing	Ongoing
6. Continue to build Health Regulatory Matrix in collaboration with Health Business Line.	Third Quarter	
7. Review existing policies in compliance with applicable laws and rules for Health Business Line.	Ongoing	
8. Create monitoring and reporting tools for Health Compliance and the Health Benefits Committee.	Ongoing	

III. PENSION BUSINESS LINE

Activities and Goals for the Upcoming Year and Current Status

Planned Activity	Target Date	Current Status
1. Develop duty statement for Compliance Area Manager for Pension Business line.	Third Quarter	
2. Recruit and hire Compliance Area Manager for Pension Business line in 2006-07.	Fourth Quarter	
3. Present Compliance Presentation to Pension Business Line Staff.	Ongoing	
4. Review previous audit reports of Pension Business Line.	Third Quarter	
5. Research related regulation, laws and rules for Pension Compliance.	Ongoing	
6. Attend Pension and Retirement Compliance Workshops and Conferences to have access to “best practices” and tools in Pension Compliance.	Ongoing	
7. Continue to build Pension Retirement Regulatory Matrix in collaboration with Pension Business Line.	Fourth Quarter	
8. Review existing policies in compliance with applicable laws and rules for Pension Business Line.	Ongoing	
9. Create monitoring and reporting tools for Pension and Retirement Compliance for the Benefits and Program Administration Committee.	Ongoing	

IV. ENTERPRISE BUSINESS LINE

Activities and Goals for the Upcoming Year and Current Status

Planned Activity	Target Date	Current Status
1. In collaboration with Audits, create an enterprise-wide Risk Committee.	Fourth Quarter	
2. In collaboration with Audits, develop internal hotline for complaints. Include issue escalation and resolution plan.	Fourth Quarter	
3. Develop Proposal for Business Planning Cycle to provide additional Compliance staff for infrastructure compliance monitoring and administrative support unit.	Fourth Quarter	
4. Prepare plan to conduct Compliance Reviews of remaining enterprise Business Lines.	Fourth Quarter	